

Calculation Of Transfers: Tax Reduction Fund

June 30, 1999
(Amounts in thousands)

This statement is prepared pursuant to Chapters 29 and 29B of the Massachusetts General Laws. It is prepared on the statutory basis of accounting and presents information contained in the official books and accounting records of the Commonwealth. Supporting information is presented in individual schedules, as indicated, and in the Financial Section of this report. There are two computations of potential transfers to the Tax Reduction Fund.

The first computation is as follows:

Part 1: Comparison of Stabilization Fund, after current fiscal year transfers,
to 7.5% of Budgeted Revenues and Other Financial Resources:

Undesignated Fund Balance in the Stabilization Fund.....	\$ 1,388,523
Allowable Stabilization Balance	<u>1,512,383</u>
Stabilization Fund Excess, if any, transferrable to Tax Reduction Fund.....	<u>\$ -</u>

Part 2: Status of Stabilization Fund after transfers:

Stabilization Fund Balance.....	\$ 1,388,523
Transfer to Tax Reduction Fund.....	<u>-</u>
Stabilization Fund Balance after transfer to Tax Reduction Fund.....	<u>\$ 1,388,523</u>

Part 3: Status of Tax Reduction Fund after transfers:

Tax Reduction Fund Balance.....	\$ -
Transfers from Stabilization Fund.....	<u>-</u>
Tax Reduction Fund Balance after transfers.....	<u>\$ -</u>

The second computation is as follows:

Part 1: Comparison of State Tax Revenues to Allowable Tax Revenues:

FY98 Allowable State Tax Revenues	\$ 15,271,665
Multiplied by Growth Factor	<u>1.08</u>
Computed FY99 State Tax Revenue Base.....	\$ 16,493,398
Plus: Local Aid Adjustment	<u>63,556</u>
FY99 Computed Maximum and Allowable State Tax Revenues.....	<u>\$ 16,556,954</u>
 FY99 State Tax Revenues	 <u>\$ 14,304,197</u>
State Tax Revenue Excess, if any, transferrable to Tax Reduction Fund.....	<u>\$ -</u>